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42.638

9 December 1954

MEMORANDUM FOR: Assistant Director for Research and Reports

25X1A

SUBJECT : Soviet Trading Delinquencies

REFERENCE :

[REDACTED]

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1. As discussed in detail by [REDACTED] of your office 25X1A and [REDACTED] it is requested that your office undertake an analysis of delinquencies of the Soviet Bloc in its trade with Western countries, covering two specific subjects:

a. The difficulties which Western countries and businessmen have had and are having in trading relations and commercial dealings with Soviet Bloc countries. We especially want to know of any instances of these difficulties, such as the bankruptcy of some Swedish shipyards, which was attributed to sharp practices by the USSR. We are not concerned with the techniques, qua techniques used by the Russians, but in specific applications or instances of those techniques which have evolved to the detriment of Western countries and businessmen.

b. The non-fulfillment of trade agreements by the Soviet Bloc countries. We are concerned with the trade agreements themselves only to the extent that the Soviets have failed to live up to the promises and commitments contained therein. Attached is an excerpt from Weekly Economic Developments Abroad of 3 September 1954, concerning the non-fulfillment of USSR trade commitments to Argentina, and is the type of thing with which we are concerned. We are also interested in analyses of instances in which Soviet Bloc countries have used the Spigot Doctrine or other techniques in trading relations.

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2. A large body of published material already exists on the subject of Soviet trade offensive but a detailed examination of this material indicates that the content is only tangentially related to our specific interest. There is a considerable discussion of the techniques and tactics of the Soviets in general terms, and of their intentions, and conclusions are made indicating that the outcome of the offensive will depend on Soviet success in fulfilling its promise. We are concerned with the actual lack of success achieved in fulfilling these promises and the difficulties of trading with the Soviet Bloc.

3. It would be preferable if your initial research efforts could be directed towards the Soviet trade offensive in Latin America and Soviet activities and techniques there.

25X1A 4. Any questions pertaining to this request may be referred to [REDACTED] on extension 8653.

[REDACTED]

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Attachment
As stated above.

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(Official Use Only)

USSR Trade Commitments Largely unfulfilled The Commercial agreement with USSR was automatically renewed on August 15 for another year since neither party denounced it. Tentative figures show that the USSR fell far short of meeting its commitments in the first year's operation of the agreement: crude oil fell short 460,000 tons out of an annual quota of 500,000 tons; coal 263,000 tons from a quota 323,000 tons; sheet iron 17,000 tons from 28,000 tons; pipe 38,000 tons from a quota of 40,000 tons; dyes 34 tons from a quota of 236 tons. The Russians apparently have shipped the full quota of rails and about double their quota of refined petroleum products. However, several other items such as special steels, asbestos, drugs, industrial and agricultural equipment have either failed to arrive at all or have come in negligible quantities.

Source - WEEKLY ECONOMIC DEVELOPMENTS ABROAD
Sept 3, 1954
Office of Econ. Affairs
Bureau of Foreign Commerce

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